

2025/26 Financial Position

Executive lead:	Angela Williams, Interim Executive Director of Operations and Finance
Author:	Neil Stoodley, Interim Deputy Director of Finance, and Head of Finance Ruth Maddern, Head of Financial Planning

Approval/Scrutiny route:	Business Executive Team
---------------------------------	--------------------------------

Purpose
The purpose of this report is to outline to the Executive Team and the Board the revenue and capital position as of 31 December 2025 (M9).

Recommendation:				
APPROVE <input type="checkbox"/>	CONSIDER <input checked="" type="checkbox"/>	RECOMMEND <input type="checkbox"/>	ADOPT <input type="checkbox"/>	ASSURANCE <input type="checkbox"/>

CONSIDER the financial position of Public Health Wales as of 31 December 2025.

Link to Public Health Wales [Strategic Plan](#)

Public Health Wales has an agreed strategic plan, which has identified seven strategic priorities and well-being objectives.

This report contributes to the following:

Strategic Priority/Well-being Objective	All Strategic Priorities/Well-being Objectives
Strategic Priority/Well-being Objective	All Strategic Priorities/Well-being Objectives
Strategic Priority/Well-being Objective	All Strategic Priorities/Well-being Objectives

Summary impact analysis	
Equality and Health Impact Assessment	Not Applicable
Risk and Assurance	All financial risks are reflected in our Monthly Monitoring Return to Welsh Government
Health and Care Standards	This report supports and/or takes into account the Health and Care Standards for NHS Wales Quality Themes
	Governance, Leadership and Accountability
	Theme 7 - Staff and Resources
	Choose an item.
Financial implications	Financial information included in the paper
People implications	Not applicable

1. Introduction and Context

The purpose of this report is to provide an update to the Executive Team and the Board on the revenue and capital position for Public Health Wales as of 31 December 2025 (M09). The content of this report is reflected in the Director of Finance commentary that has been submitted to Welsh Government on 14 January 2026 as part of the full financial monitoring return for Month 9. The monitoring returns are included at **Appendix A**

The following table highlights the performance against the key revenue and capital financial targets.

Target	Current Month	Year to Date	Year-end Forecast
Revenue financial target Deficit/(Surplus)	(£29k)	(£69k)	Breakeven
Capital financial spend & target	£277k	£1,014k	Breakeven
Public Sector Payment Policy	97.34%	97.34%	>95%
Agency Spend as % of Total Pay	0.6%	1.0%	<1.7%

The cumulative reported position at Month 9 for Public Health Wales is a net surplus of £69k.

2. Overview of Financial Performance at Month 9

2.1 Financial Performance by Directorate

Table A outlines the financial performance by Directorate.

Table A

Directorate	Annual Budget £000s	YTD Budget £000s	YTD Actual £000s	YTD Variance £000s
Board and Corporate	2,622	2,001	2,000	-1
Central Budgets	883	280	203	-77
Covid 19	6,560	4,402	4,402	-0
Operations and Finance	8,244	5,932	5,932	-0
Health Protection and Screening Services	102,913	77,321	77,405	84
Health & Wellbeing	22,466	15,724	15,682	-42
People & Organisational Development	3,262	2,427	2,417	-10
Policy and International Health	6,251	4,335	4,334	-1
Research, Data and Digital	12,654	9,208	9,192	-16
Nursing, Quality & Integrated Governance	4,099	2,968	2,962	-6
Directorate Total	169,954	124,598	124,529	-69

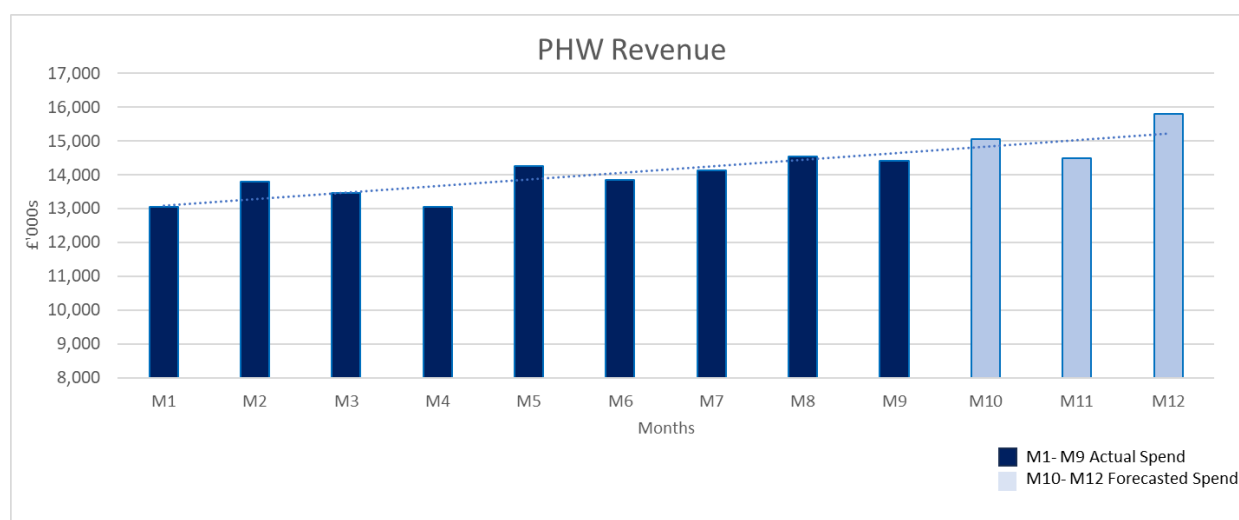
As the table above indicates, the surplus at Month 9 is a combination of small variances across Directorates.

Health Protection and Screening Services is overspent by £84k for the year to date. This includes an in-month improvement of £50k where the directorate have continued to manage down their overspend position in-year. This is being offset by small underspends across the rest of the organisation.

Costs and funding associated with the Public Inquiry are included within the Board and Corporate Directorate. The total spend at Month 9 is £334k.

2.2 Forecast Position

The following graph shows actual year to date spend and forecasted spend for the remainder of the financial year. This is based on the Directorate spending plans received and illustrates the actual run rate to month 9 and the forecast run rate month 10 to month 12.



There is an increase in non-pay planned expenditure from Month 11 to Month 12 mainly due to the timing of expenditure, this is broken down as follows:

Expenditure profiled in M12	£m
Provisions	0.272
IFRS16 Rental	0.152
Non-Core Grant Income	0.577
Directorate spending plans	0.296
PHW Total	1.297

Directorate spending plans continue to be monitored closely and discussed in detail with Executive Directors to ensure that Public Health Wales delivers a breakeven position in accordance with its financial plan and the financial planning assumptions within the IMTP.

Investment underspend against the 2025/26 investment fund at Month 9 is confirmed as £331k. This underspend is accounted for in the overall year-end forecast break-even position.

Savings – All saving schemes identified are rated green and reflect savings as per our IMTP. The organisation is on course to deliver its total savings target of £1.309m by the end of the year.

Agency Usage - Internal actions to reduce agency usage have resulted in a continued decrease in agency spend over recent months, although month 9 has seen a small increase in monthly agency spend, up from £60k in month 8 to £90k in month 9. PHW’s target as per the Cabinet Secretary Enabling Actions is to reduce last year’s spend of £2.8m by 30% to £1.96m. PHW’s latest annual forecast agency spend for 2025/26 is £1.4m which will significantly over-deliver the target reduction. Work is ongoing to disaggregate specialist agency roles from traditional Admin and Clerical usage to provide a clearer picture of our agency staffing model.

2.3 Outstanding Allocations & Financial Risks

The 2025/26 pay award was actioned in Month 5 for Medical and Dental and Agenda for Change staff, with an assumed recurrent allocation of £3.957m. Confirmation of our in-year allocation in relation to the increase in National Insurance by Welsh Government has also been received. These allocations have been provided on a non-recurrent basis for 2025/26. Welsh Government will confirm the approach to the recurring allocation as part of the 2026/27 allocation process. Until the allocation letter is received, this remains a recurrent risk.

2.4 Covid-19

Table B outlines the operational expenditure and funding sources of the Public Health Wales Covid-19 response. Actual costs are shown for the year to date (December 2025) with forecast costs for the remainder of the year.

Table B – COVID-19 financial forecast at Month 9

PHW - COVID-19 Summary	Actual Apr-25 to Dec- 25 £000's	Forecast Jan-26 to Mar- 26 £000's	TOTAL 2025/26 £000's
Additional Costs			
COVID-19 Laboratory Testing	4,402	2,158	6,560
Total Gross Additional Cost	4,402	2,158	6,560
Welsh Government Non-Core Funding			
COVID-19 Laboratory Testing	-4,402	-2,158	-6,560
Total Funding	-4,402	-2,158	-6,560

Welsh Government have confirmed non-recurrent funding for 2025/26 of £6.560m to support COVID-19 testing. We will continue to invoice Welsh Government based on actual spend up to the funding level agreed of £6.560m. Spend in month 9 was £0.681m with actual testing episodes in December totalling 12,712 tests. This is an average of 410 tests per day for December. This compares to an average of 346 per day in November.

Testing activity for April to December is 5% lower than the profile of the sustainability plan, which was based on 2023/24 outturn, whilst expenditure for the same period is 1% higher than baseline costs (as there have been some price increases in consumables/lower number of discounts secured). The average cost per test is currently £58.

Although 2024/25 activity was higher than 2023/24 baseline (14% or 17k tests), this was due to increased levels of testing linked to Pertussis, Enterovirus and Mycoplasma events. At present there are no indications of similar outbreaks or events in 2025/26 and therefore we are not anticipating similar increased levels of expenditure.

£2.158m of COVID funding remains available for quarter four. The previous two years have seen quarter four spend of £2.842m (2023/24) and £2.334m (2024/25), however, the earlier flu season this year will impact testing levels in quarter four, potentially reducing spend compared to previous years. Further work will be undertaken on the COVID forecast following month 9 close and this will be shared with Welsh Government.

3. Capital

Public Health Wales capital funding for 2025/26 totals £4.712m, which includes £1.613m of Discretionary capital and £3.100m of Strategic capital.

Table C provides a summary of discretionary and strategic schemes, with a more detailed breakdown in **Appendix B**.

Table C

Service Area	2025/26 Allocation £000s	Year to date spend 2025/26 £000s	Committed via PO £000s	Delivery Estimate Q4 £000s
Discretionary				
Contingency	64	-0	0	64
Digital Services	978	313	540	665
Estates	260	96	0	164
Infection Services	193	26	20	167
Screening Division	118	14	90	104
Total Discretionary Approved	1,613	448	650	1,163
Strategic Approved				
Digital Services	1,853	161	250	1,692
Estates	285	24	10	262
Infection Services	170	169	0	0
Screening Division	792	202	525	590
Total Strategic Approved	3,100	557	785	2,544
Total Public Health Wales Capital	4,712	1,005	1,435	3,707

Service Area	2024/25 Allocation £000s	Year to date spend 2024/25 £000s	Committed via PO £000s	Delivery Estimate Q4 £000s
NHSW Performance & Improvement	100	9	0	91
Total Discretionary	100	9	0	91
Total Hosted Discretionary	100	9	0	91
Grand Total	4,812	1,014	1,435	3,798

Discretionary Schemes

As at M09 there is £1.163m of spend due in quarter 4, of which, £0.650m is committed via purchase order with the remaining £0.513m yet to be committed. The schemes are as follows:

Digital Services - £0.125m yet to be committed:

- £0.060m - cloud services - procurement of the firewalls has commenced with delivery expected in February.
- £0.035m - DBA software tools - procurement due to take place during January with delivery expected in February.
- £0.030m - printers and scanners replacement and cabling for the surface hubs are being reviewed with delivery and completion of the work expected in February.

Estates - £0.164m yet to be committed:

- £0.030m relates to improvement works within the PHW estate, engagement with the relevant Health Boards continues to progress the work.
- £0.126m relates to fire suppression work at Rhos House and Llys Castan, some of the work is unlikely to complete by the end of March. Discussions are under way to assess the impact and to manage and agree a way forward.

Infection Services - £0.147m yet to be committed:

- £0.059m relates to the purchase of new cold room within UHW. Several attempts to engage with C&V estates teams have been made with very little response. This remains outstanding with some uncertainty around delivery by the end of March 2026.
- £0.035m relates to recently approved schemes for replacement lab equipment. Procurement has commenced, with delivery expected by March.
- £0.053m relating to sealability work within the UHW, Llandough and Carmarthen CL3 labs. Conversations are being held with the Health Boards to take this work forward.

Screening Division - £0.014m yet to be committed:

- A recently approved scheme for 2 x biopsy chairs within BTW. The requisition has been raised with delivery expected by March.

There is £0.064m within contingency set aside for urgent repairs and replacement and the over £5k expenditure review.

Strategic Schemes

As at M09 there is £2.544m of spend due in quarter 4, of which, £0.785m is committed via purchase order with the remaining £1.759m yet to be committed. The status of each Strategic capital scheme is as follows:

Digital Services - £1.442m yet to be committed:

- Digital Health Protection Programme – The contract with the supplier has been executed and the requisition will be raised for £1.195m week commencing 19 January. The spending plan has been re-profiled across quarter 4 as per the milestones set out in the supplier contract. Regular reviews are taking place to monitor the delivery of the milestones. The remaining £0.226m relates to internal staff directly attributable to the build of the new system.
- Replacement of Core Server Infrastructure - The procurement process is complete, and purchase order raised, expected delivery February 2026.

Estates - £0.252m yet to be committed:

- Improvement works to new North Wales estate £0.073m – the new lease is due to be signed on the 20 January with the tender relating to the building work expected to be awarded week commencing the 26 January. Associated works anticipated to commence beginning of February with work scheduled to last 4-6 weeks.
- The tender relating to the replacement and upgrade of the LED lighting at Magden Park £0.055m is complete. The contract is due to be awarded with work expected to be complete by March.
- The EV charging infrastructure at Clwydian House and Kimberley House £0.108m – is progressing slowly, with all feasibility studies complete and paperwork with procurement to progress.
- New mental health space at CQ2 £0.015m – work commenced 14 January and will be complete by the end of January.

Screening Division - £0.065m yet to be committed:

- Replacement of DESW vans - Due to delays with the conversion works the vans were not delivered in December as planned, 6 out of the 8 vans were delivered on the 6 January with the remaining 2 expected by the end of March. The EV work and fire suppression work of £0.034m, is progressing slowly with purchase orders still to be raised. Work is still anticipated to be complete by the end of March 2026.
- WAAASP Ultrasound replacement - 10 of the 16 WAAASP ultrasound machines have been delivered, with the remaining 6 and the associated IT equipment expected by the end of January. Trolleys are still to be purchased, £0.029m, but expected by the end of March.
- Targeted Lung Cancer Programme - IT equipment is expected to be delivered in January.

The Finance team continue to work closely with capital scheme leads to continue their scrutiny of the spending plans to ensure a year-end breakeven position is delivered for 2025/26, with weekly updates requested from Month 10.

4. Balance Sheet

The Balance Sheet, or Statement of Financial Position, reports the assets, liabilities, and reserves of the organisation at a specific point in time. **Table D** provides a summary as of 31 December 2025.

Table D – Balance Sheet as of 31 December 2025

	Opening Balance 1/4/2025 £000s	Movement £000s	Closing Balance 30/12/2025 £000s
Non-Current Assets			
Property, plant and equipment	29,175	325	29,500
Intangible assets	1,359	0	1,359
Trade and other receivables	981	-676	305
Other financial assets	378	0	378
Non-Current Assets sub total	31,893	-351	31,542
Current Assets			
Inventories	1,263	-0	1,263
Trade and other receivables	22,557	20,605	43,163
Other financial assets	182	-92	90
Cash and cash equivalents	10,722	910	11,632
Current Assets sub total	34,724	21,424	56,148
TOTAL ASSETS	66,617	21,073	87,690
Current Liabilities			
Trade and other payables	-27,896	-20,341	-48,237
Borrowings	-2,099	276	-1,823
Provisions	-1,774	-2,276	-4,050
Current Liabilities sub total	-31,769	-22,341	-54,110
NET ASSETS LESS CURRENT LIABILITIES	34,848	-1,268	33,580
Non-Current Liabilities			
Trade and other payables	0	0	0
Borrowings	-4,337	569	-3,768
Provisions	-3,553	768	-2,785
Non-Current Liabilities sub total	-7,890	1,338	-6,552
TOTAL ASSETS EMPLOYED	26,958	70	27,027
FINANCED BY: Taxpayers' Equity			
PDC	21,238	0	21,238
Retained earnings	4,464	69	4,534
Revaluation reserve	1,255	0	1,255
TOTAL TAXPAYERS' EQUITY	26,958	69	27,027

4.1 Non-Current and Current Assets

Property, plant and equipment have increased by £0.325m due to in year capital purchases in line with approved plans.

Non-current trade receivables have decreased by £0.676m, due to the reclassification of certain clinical negligence cases. These receivables have been moved to current assets, reflecting revised estimates that indicate settlement is now expected within the next 12 months.

Current trade receivables balance has increased by £20.605m, primarily due to the Trust's January core income invoice of £12.643m (billed in advance), and the £3.957m invoice in respect of the 2025/26 pay award funding. In addition, there has also been a £1.712m increase in prepayments, reflecting timing differences in expenditure recognition, a £0.543m increase in NHS accruals, and a further £1.209m increase in clinical negligence receivables due to new claims submitted during the period.

Cash and cash equivalents have increased by £0.910m since the beginning of the year and this reflects core income received but not yet required due to the expenditure profile.

4.2 Current & non-current liabilities

Current trade and other payables have increased by £20.341m, which is mainly due to deferred Welsh Government income of £12.643m for January which has been raised in advance, and £0.843m of 2025/26 pay award funding relating to Q4. There are also amounts due to be paid over for Tax and NI £3.369m and pensions of £3.391m which were nil as at 31st March 2025.

There has been a reclassification of provisions between current and non-current categories, reflecting revised estimated settlement dates for clinical negligence cases. Overall, total provisions have increased by £1.508m, driven by the recognition of new clinical negligence claims and adjustments to existing cases.

The amount of borrowings, categorised under both current and non-current headings, has decreased by £0.845m since the start of the financial year. This is due to the reduction in the liability of right of use leased assets as payments are made.

5. Conclusion

The Board is asked to note the following:

- Month 9 reported revenue surplus financial position of £69k.
- Directorate spending plans and the profile of spend.
- Investments status for Month 9.
- Status of the 2025/26 Capital Programme, strategic and discretionary and the recommendation to approve additional discretionary schemes.
- Balance Sheet, also known as the Statement of Financial Position, as of 31 December 2025.

Appendices

Appendix A:

The following Tables from our Month 9 Monitoring Return to Welsh Government are attached:

A – Movement

C1 & C2 – Savings Schemes and,

C3 – Savings Tracker

Appendix B: Detailed discretionary and strategic capital schemes.

Service Area	Details	2025/26 Allocation £000s	Year to date spend 2025/26 £000s	Committed via PO £000s	Delivery Estimate Q4 £000s
PHW Discretionary:					
Contingency	Contingency - For unknown and unforeseen capital Expenditure	64	-0	0	64
Estates	Access control system to BTW Cardiff and Magden Park	37	37	0	0
Estates	Access control system/door entry intercom, automation of main front door and associated electrical enabling works at Llys Castan Bangor	14	14	0	0
Estates	Replace CCTV system at BTW Cardiff	12	12	0	0
Estates	Improvement works to Screening and Infection Services estates	35	4	0	31
Estates	B/F from 2024/25 - Fire Compliance Works	35	19	0	16
Estates	Air conditioning units for BTW Swansea (identified after TEF bid approved)	10	10	0	0
Estates	Energy efficient works at CQ2 (sensors in the meetings rooms)	7	0	0	7
Estates	Additional fire compliance works	110	0	0	110
Digital Services	Dell PCs & Monitors	397	182	216	216
Digital Services	Cloud Services	150	0	103	150
Digital Services	Development & DBA software Tools	35	0	0	35
Digital Services	Replacement Printers & Scanners	18	3	0	16
Digital Services	IT Equipment (5 x laptops - Lab Director, BTW Admin Team, DESW Reg Nurse Coord, Trainee Biomedical scientists(2) and lab scanners for LIMS)	6	0	5	5
Digital Services	IT equipment - investment posts	16	0	16	16
Digital Services	B/F from 2024/25 - Network Switches	10	10	0	0

Digital Services	Oracle Forms/Reports software licences	64	64	0	0
Digital Services	Surface Hub replacements	65	49	0	16
Digital Services	Add Hoc IT Equipment (since Nov25) - 4 x 27" monitors (adjustment to work), High spec laptop HP (slippage)	2	1	0	2
Digital Services	Replacement Environmental Monitoring for server rooms	5	0	0	5
Digital Services	Additional Dell PCs (phase 2?)	200	0	200	200
Digital Services	Add Hoc IT Equipment - 2 X High Spec Laptops (CDSC), 1 x laptop (Genomics), 2 x Apple iPad and Pencil, 1 x High Powered Laptop	10	5	0	5
Infection Services	Purchase of new cold room	59	0	0	59
Infection Services	Hettich rotina 420 centrifuge	9	9	0	0
Infection Services	CAT 3 sealability	53	0	0	53
Infection Services	Scanners and Printers for LIMS rollout (TCLE equipment)	37	17	20	20
Infection Services	Autoclave Tins	10	0	0	10
Infection Services	Light Microscope	8	0	0	8
Infection Services	Eddyjet Spiral Platter	18	0	0	18
Screening Division	Redevelopment of NBSWS and AWNBHS clinical IT systems	83	0	90	83
Screening Division	B/F from 2024/25 - IT Equipment lab scanners	1	1	0	0
Screening Division	B/F from 2024/25 - Work to counselling room BTW Cardiff (re-decoration)	1	1	0	0
Screening Division	2 x High spec monitors for grading dept	1	0	0	1
Screening Division	BTW Mobile Generator	12	12	0	0
Screening Division	Biopsy chair x 2	20	0	0	20
Total Discretionary PHW		1,613	448	650	1,163

PHW Strategic:

Estates	TEF - Infrastructure (Improvement works to NW accommodation)	84	1	10	83
Estates	TEF - Decarbonisation - Replace lighting at Clwydian House/Magden Park/Llys Castan - upgrade to LED	66	11	0	56
Estates	TEF - Decarbonisation - Additional EV charging - 2 sites - Clwydian & Kimberley House	108	0	0	108
Estates	TEF – Mental Health (Repurposing of former Help Me Quit)	15	0	0	15

Estates	TEF - Decarbonisation - New air conditioning units in 18 Cathedral Road	12	12	0	0
Digital Services	DPIF - Digital Health Protection Programme	1,603	161	0	1,442
Digital Services	End of Year Digital Funding 2025-26 - Virtual Infrastructure	250	0	250	250
Infection Services	Diagnostic Equipment Infection Services -	170	169	0	0
Screening Division	Replacement of Diabetic Eye Screening Wales (DESW) Light Goods Vehicles and	359	0	323	359
Screening Division	Implementation of Electric Vehicle Charging Infrastructure 2025-26. Non-Radiology Ultrasound	399	202	168	197
Screening Division	Replacement - Replacement of WAAASP U/S machines	399	202	168	197
Screening Division	Targeted Lung Cancer Programme - IT Hardware	34	0	34	34
Total Strategic PHW Approved		3,100	557	785	2,544
Total Public Health Wales Capital		4,712	1,005	1,435	3,707

Service Area	Details	2025/26 Allocation £000s	Year to date spend 2025/26 £000s	Committed via PO £000s	Delivery Estimate Q4 £000s
NHSW Performance & Improvement	Annual discretionary allocation for NHS Wales Executive 2024-25	100	9	0	91
Total Discretionary Hosted		100	9	0	91
Total Hosted Capital		100	9	0	91
Grand Total		4,812	1,014	1,435	3,797